

SRC Calendar:

- Mon.,
March 28
- **8:45 am:** Senate Republican Caucus
 - **10 am:** Senate Gov Ops hearing on election reforms: (HB 1749–Green; SHB 1754–Hunt) and changing the primary date (ESHB 2027–Green) (SHR 2)
 - **10 am:** Senate Labor, Commerce and R&D hearing on stem cell research (EHB 1268–Schual-Berke, SHR 4)
 - **10:30 am:** Senate Democrat Budget Press Conference, JAC ABC –TVW Live
 - **1:30 pm:** House Capital Budget hearing on financial assistance to local governments (ESSB 6050–Parlette, HHR A)
 - **3:30 pm:** Senate Transportation hearing on HOT lane pilot project (SHB 1179–Murray, SHR 1)

- Tues.,
March 29
- **7:15 am:** Legislative Fellowship (JAC ABC)
 - **8:30 am:** Senate Republican Caucus
 - **10 am:** House Gov Ops work session on election reform (HHR D)
 - **1:30 pm:** Senate Water, Energy and Environment hearing on CA vehicle emission standards (ESHB 1397–Murray, SHR 4, TVW)
 - **1:30 pm:** House Technology hearing on life sciences discovery fund (E2SSB 5581–Brown, HHR B, TVW)
 - **1:30 pm:** Senate Judiciary hearing on failure to secure a vehicle load on a public highway (SHB 1478–Kagi, SHR 1)
 - **3:30 pm:** Senate Transportation work session on transportation budget (SB 6091–Haugen, SHR 1)

- Wed.,
March 30
- **10 am:** Senate Session/Caucus
 - **3:30 pm:** Senate Water, Energy and Environment hearing on joint committee on water supply during drought (HB 2166–Newhouse, SHR 4)

- Thurs.,
March 31
- **8 am:** House Technology hearing on PUD appliance repair services (ESSB 5348–Pridemore, HHR B)
 - **10 am:** Senate International Trade and Economic Development work session on trade relations with Africa, Central America and South America (SHR 3)

- Fri.,
April 1
- **8 am:** House Gov Ops executive session on election reform (HHR D)
 - **10 am:** Senate Session/Caucus

- Sat.,
April 2
- **Ferry County Lincoln Day Dinner**

Concerns over the governor's budget

ONE TIME FUNDS

The governor uses nearly \$1 billion of one-time sources to “balance” the \$1.5 billion budget problem:

- Deferring pension payments to future budgets (\$524 million);
- Changing accounting methods (\$127 million);
- One-time revenue bills (\$62 million); and
- Spending fund balances (\$255 million).

One-time sources go away but the artificially inflated spending level remains, intensifying future budget problems.

FASTEST GROWING AREAS OF BUDGET

The governor's budget does not address the fastest growing areas of the budget.

- **Pension costs** are deferred. Skipping contributions raises legal questions about whether or not the state is meeting its contractual obligation to fund pensions.
- **Health care** grows at double-digit inflation. More costs are heaped on taxpayers by stopping efforts to identify ineligible recipients, eliminating modest co-premiums, and providing access for non-citizens and illegal immigrants. State employees' share of health benefits continues at 12 percent, well below the private sector average of 28 percent.
- **Government tort liability** has grown more than 500 percent in the last dozen years, resulting in more than \$150 million in budget costs this biennium.
- **General assistance unemployable's** caseload has grown nine times as fast as population in recent years.
- **Bilingual education** costs are growing nearly three times the rate of state revenues. The percent of students on the program more than three years has tripled and the percent on more than five years has quadrupled in recent years.

SRC in the News

- **On the revenue forecast:** State Sen. Joseph Zarelli, a Ridgefield Republican and top Senate minority voice on budget matters, said the rosier forecast means tax increases are less necessary to balance the budget. "If we said we could do it before, we certainly can do it now," Zarelli said. (*The Olympian*, 3/18/05)

- **On the governor's budget:** "I think she came up with something a little better than I'd expect out of either body of the Legislature," said Sen. Joe Zarelli of Ridgefield, the ranking Republican on Ways and Means. "I want to give the governor credit for proposing a palatable budget." Nonetheless, Zarelli criticized Gregoire for leaving the budget's structural problems intact. "This is the time to make change, when people are forced to look at problems," Zarelli said. (*Longview Daily News*, 3/22/05)